

**REMARKS**

Claims 1-57 are pending in this application.

Claims 1-11 and 40-45 were rejected under 35 U.S.C. § 101. Claims 1 and 40 have been amended to overcome those rejections.

Claims 1, 5-10, 12, 16-20, 23, 27-31, 40, 42, 44-46, 52 and 54 were rejected by the Examiner as anticipated by Postrel U.S. Patent No. 6,594,640. Claims 2-4, 11, 13-15, 21, 22, 24-26, 32, 33, 41, 43, 47-49, 53 and 55-57 were rejected as obvious in view of Postrel and Copple et al. U.S. Patent No. 6,178,408. Claims 34-39 were rejected as obvious in view of Bezos et al. U.S. Patent No. 6,606,608 and Postrel.

Postrel teaches a system and method for bartering, trading and redeeming points accumulated in customer affinity programs. Postrel Abstract. The system includes a trading server computer 20 in communication with reward server computers 10, 12, 14, a merchant computer 30 and a user computer 40. Postrel Fig. 4; col. 5, l. 3-6. The trading server computer allows the user to accumulate customer affinity program points posted on the various reward server computers and use them to make purchases from the merchant. Postrel Figs. 4, 6; col. 5, l. 17-20, col. 6, l. 12-52.

The independent claims in the application recite: (a) a method of conducting a customer affinity program auction where a bid on merchandise offered in the auction is received in reward points (claim 1), a central controller constructed to receive such a bid (claim 12), and a computer readable medium having code to allow for receiving such a bid (claim 23); (b) a method of conducting a customer affinity program auction where an opening bid is determined by applying an auction pricing discount factor in reward points (claim 34), a central controller constructed to determine such an opening bid (claim 36), and a computer readable medium

having code to allow for determining such an opening bid (claim 38); and (c) a method of conducting a customer affinity program auction where a portion of a bid is paid for by reward points converted to a cash value (claim 40), a central controller constructed to accept such a payment (claim 46), and a computer readable medium having code to allow for accepting such a payment (claim 52). The dependent claims recite additional features and functions of the system and method.

It is respectfully submitted that there is no disclosure in Postrel of a customer affinity program auction where: (a) reward points are used to bid on merchandise offered in the auction (claims 1, 12 and 23), (b) an opening bid is determined in reward points (claims 34, 36 and 38), or (c) a portion of a bid is paid for by reward points (claims 40, 46 and 52). The portion of Postrel relied on the examiner in this regard (“the points may be bid for in an auction environment where points may be used to bid for certain awards,” col. 3, l. 44-46 (emphasis added)) is understood by applicant to refer to buying points at an auction which then can be accumulated with points on the reward server computers of Postrel to make purchases from merchants. This is consistent with the teachings of Postrel described above. See Postrel Abstract; Figs. 4, 6; col. 5, l. 17-20, col. 6, l. 12-52. Thus, Postrel simply does not disclose a customer affinity program auction. The patents to Bezos et al. and Copple et al. add nothing to Postrel in this regard. Therefore, the pending claims in the application are neither anticipated by Postrel nor rendered obvious by the combination of Postrel and Bezos et al. or Copple et al.

Alternatively, Applicants submit herewith a Declaration by the inventor under 37 C.F.R. § 1.131 which shows facts which, in character and weight, establish a conception of the present invention prior to the apparent effective dates of Postrel, Copple et al. and Bezos et al. of

June 23, 1999, July 14, 1999 and July 19, 1999, respectively, and due diligence from prior to those dates until the reduction to practice of the invention.

### CONCLUSION

Based on the foregoing remarks, it is respectfully submitted that the claims as currently pending are patentable and in condition for allowance. If any issues remain, or if the Examiner has any suggestions for expediting allowance of this application, he is respectfully requested to contact the undersigned at the telephone number listed below. Favorable consideration is respectfully requested.

### AUTHORIZATION

The Commissioner is hereby authorized to charge any additional fees which may be required for the timely consideration of this amendment under 37 CFR §§ 1.6 and 1.17, or credit any overpayment to Deposit Account No. 13-4500, order No. 3951-4001.

Respectfully submitted,  
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Dated: June 17, 2004

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